December 18, 2000

VIA E-DOCKET

Ms. Donna Caton, Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62794-9280

Re: Docket Nos. 00-0393

Dear Ms. Caton:

Enclosed for filing, please find the Reply Brief of Sprint Communications Company L.P. d/b/a Sprint Communications L.P. in the above-referenced docket.

Thank you for your assistance in this matter. Please call me if you have any questions.

Very truly yours,

Kenneth A. Schifman

KAS:sjw
Enclosures
cc: Service List
(w/enclosures)

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STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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REPLY BRIEF OF SPRINT COMMUNICATIONS L.P.

Sprint Communications Company L.P. d/b/a Sprint Communications L.P. (Sprint) submits its Reply Brief according to the Commission's rules.

I. INTRODUCTION

This proceeding presents the Commission with the opportunity to promote competition for advanced services in residential and small business markets by enabling CLECs to share the local loop with Ameritech. The FCC unbundled the high frequency portion of the loop (HFPL) to "enable competitive LECs to compete with incumbent LECs to provide to consumers xDSL-based services . . ." (Third Report and Order in CC Docket 98-147, Fourth Report and Order in CC Docket 96-98, FCC 99-355 (released 12/9/99) ("Line Sharing Order"), ¶ 4). Staff, Sprint and the other CLECs involved in this proceeding have presented the Commission with substantive changes that need to be made to Ameritech's line sharing tariff to make the FCC's unbundling of the HFPL a real marketplace reality in Illinois.

Ameritech urges the Commission to accept its tariff unchanged because (1) the Commission allegedly has no authority to change voluntarily submitted tariffs; (2) federal law somehow preempts the state commission's ability to make a determination of the justness and reasonableness of tariffs, and (3) the tariff purportedly comports with the FCC line sharing requirements and the merger condition ownership of equipment waiver and thus cannot be modified at the state level. Ameritech is wrong on all three accounts.

First, the tariff is not voluntary. Ameritech is required to tariff all telecommunications services it offers or provides under 220 ILCS § 5/13-501. As the Commission is well aware, Ameritech tariffs terms, conditions and rates for other unbundled network elements like shared transport and for collocation. Ameritech's tariff filing states that the line sharing tariff is filed as a non-competitive service pursuant to the applicable provisions of the PUA (Advice No. 7280, dated April 21, 2000). Given this admission, the Commission should not even entertain Ameritech's argument that the tariff is voluntary.

Second, the Illinois PUA gives the Commission the authority to determine just and reasonable rates and terms in 220 ILCS § 5/9-250. The Commission exercised this authority recently in 99-0615 regarding Ameritech's collocation tariff, and altered the terms and conditions of Ameritech's tariff to promote competitive entry into the advanced services market. The Commission has the same authority here.

And third, federal law, in TA 96 and in all of the relevant FCC orders, expressly gives the power to state commissions to order terms and conditions

that go beyond the requirements of the FCC rules and orders. (See e.g. TA 96, §251(d)(3); UNE Remand Order, ¶154; Line Sharing Order, ¶ 223; Project Pronto Waiver Order, ¶ 9)). Neither Congress nor the FCC in the Line Sharing or Project Pronto Waiver Order preempt this Commission's ability to establish just and reasonable tariff terms that promote competition according to the dictates of 220 ILCS § 5/13-103(f).

Moving beyond Ameritech's misguided rhetoric that the Commission is without authority to make the tariff changes urged by the CLECs and Staff, Ameritech is wrong in its substantive arguments. As demonstrated in Sprint's Initial Brief, CLECs are clearly impaired under the standards of Section 251(d)(2)(B) and Rule 51.317(b) in offering advanced services to consumers if Ameritech does not unbundle the Project Pronto architecture and permit CLECs to line share over fiber and copper loops. The alternatives offered by Ameritech -- (1) access to a retail broadband offering; (2) use of Ameritech's existing copper loop network; and (3) collocation of DSLAMs at the digital loop carrier and leasing of dark fiber – do not cure the material diminution to CLECs' ability to offer advanced services to Illinois consumers. The CLECs unquestionably have demonstrated that Project Pronto must be unbundled. Ameritech must not be permitted to reengineer its local loop plan, making it advanced services compatible, and then prohibit CLECs from using that network on an unbundled basis.

Moreover, Ameritech's arguments supporting a 50% charge for the HFPL fail. Staff correctly recognizes that Ameritech has recovered 100% of its loop

costs previously from the voice frequency of the loop and it incurs no additional incremental costs in providing the HFPL. (Staff Initial Brief, p. 19). Ameritech is fully compensated for providing line sharing to CLECs. Its tariff includes charges for OSS modifications, cross connects, splitter access and other items necessary for line sharing. Consequently, Ameritech's arguments that a $0 charge for the HFPL will somehow advantage DSL providers to the detriment of cable modem providers are unconvincing.[1]

Next, Ameritech must offer line splitting to CLECs over the UNE Platform when it voluntarily provides the splitters. Sprint is not asking the Commission here to make the splitter a UNE or declare it a feature or functionality of the loop. The reality is, however, that Ameritech already has deployed splitters in almost all of its central offices. There is no reason why Ameritech should not permit CLECs to use those installed splitters at the tariff rate to allow a resale or UNE-P provider to provide the voice service and the same CLEC or a Data LEC to use the HFPL to offer advanced services. Ameritech will be compensated for use of its splitters and competition will be promoted.

Competition also will be promoted in the advanced services market if the Commission correctly finds that Ameritech's proposed loop conditioning charges are grossly inflated and must be reduced according to the principles set forth by Sprint witness Dunbar. Ameritech's cost studies are based on mistaken assumptions that 3 load coils must be removed for every loop under 17,500 feet. Sprint proved that it is impossible for more than 2 load coils to be present on

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[1] This argument is even more curious in light of the fact that Ameritech's data affiliate,

such a loop and for the loop to be functional. That is why the cost study must be revised to charge for removal of load coils and other interferors only on a per-occurrence basis. Also, the Commission must spread the cost of conditioning among all the loop pairs in a binder. Otherwise, CLECs are charged for the costly travel, set-up, and preparation time for conditioning a single loop in a binder group when all pairs of that binder can be conditioned virtually simultaneously. The evidence demonstrated that Ameritech's own engineering practices call for conditioning loops a binder group at a time. CLECs should only pay for the most efficient engineering practices.

In sum, the Commission unquestionably has authority to reform Ameritech's line sharing tariff to make it a just and reasonable offering. CLECs will be able to purchase the HFPL out of the tariff or use it as a basis for negotiating interconnection agreements with Ameritech. The Commission should order the changes suggested by Sprint in its Initial Brief and in this Reply Brief.

II. THE COMMISSION HAS THE AUTHORITY TO MODIFY CONDITIONS OF AMERITECH'S LINE SHARING TARIFF.

A. The Line Sharing Tariff Is Not A Voluntary Filing

Ameritech brazenly asserts that the Commission does not have authority to order changes to the line sharing tariff because it allegedly is a voluntary filing. (Ameritech Initial Brief, p. 5). This assertion is wrong as a matter of law. Ameritech's tariff filing is not voluntary. Under Sections 5/9-102 and 5/13-501 Ameritech is required to tariff its telecommunications service offerings. For

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AADS, is a DSL provider and not a cable modem or wireless broadband provider.

example, 5/13-501 provides, in part, “No telecommunications carrier shall offer or provide telecommunications service unless and until a tariff is filed with the Commission . . .” (220 ILCS § 5/13-501). Ameritech routinely has tariffed collocation and UNEs such as shared transport, ULS, subloops and dark fiber. Moreover, 5/13-502 requires a tariff to state whether it is offering competitive or non-competitive services. Ameritech’s Line Sharing tariff in section 1.2 acknowledges that the line shared loops and HFPL “are non-competitive telecommunications services” and the April 21, 2000 cover letter from Ameritech states that “this service is classified as a noncompetitive telecommunications service pursuant to the applicable provision of the Public Utilities Act.” (Advice No. 7280 dated April 21, 2000 enclosing line sharing tariff sheets). Ameritech’s argument in its Initial Brief that its filing is involuntary is ludicrous in light of its admissions in the very tariff over which it claims this Commission has no authority. Ameritech is not tariffing line sharing out of the goodness of its heart. It is required to do so under the Illinois Public Utilities Act.

Next, the fact that the line sharing tariff includes a UNE prescribed by the FCC in implementing the terms of TA96 has no bearing on whether it is required to tariff line sharing. (See, Ameritech Initial Brief, p. 4). Since Congress passed TA96, this Commission has ruled many times on the just and reasonable nature of Ameritech tariff offerings that involve UNEs or other terms created by TA96. In 98-0486/0569 (“TELRIC 2”), the Commission required Ameritech to revise its tariffs for UNE non-recurring charges and shared transport. In 98-0555, the Commission required Ameritech to file a new shared transport tariff (a UNE

under 251(c)(3)) that included the Texas version of shared transport. And recently, the Commission revised Ameritech's collocation tariff (collocation is required by 251(c)(6)) ordering Ameritech to offer adjacent collocation and shared collocation in Illinois in the same manner that its sister ILEC, SWBT, offers those arrangements in Texas. (Order, 99-0615).

Like it has done in the past, this Commission has every right to exercise its authority to revise the line sharing tariff filed by Ameritech. TA 96 explicitly gives state commissions the power to implement its terms. Specifically, Section 251(d)(3)(A) states that the FCC "shall not preclude the enforcement of any regulation, order, or policy of a State commission that (A) establishes access and interconnection obligations of local exchange carriers." Consequently, the Commission has the authority to revise Ameritech's line sharing tariff because it establishes access and interconnection obligations of Ameritech.

Accordingly, under the Illinois PUA, Ameritech's line sharing tariff filing is involuntary, and the Commission, like it consistently has done in the past, has the authority to revise this tariff.

B. Illinois Law Gives The Commission The Authority To Order Just And Reasonable Tariff Terms

Contrary to Ameritech's arguments that the Commission is preempted by federal law in making changes to the line sharing tariff (Ameritech Initial Brief, p. 7), the Illinois PUA gives the Commission the authority to determine just and reasonable rates and terms in 220 ILCS § 5/9-201(c) and in §5/9-250. The first statute states upon a hearing regarding the propriety of a tariff filing the "Commission shall establish the rates or other charges, classifications, contracts,

practices, rules or regulations proposed, in whole or in part, or others in lieu thereof, which it shall find to be just and reasonable." 220 ILCS § 5/9-201(c). The next statute gives the Commission similar authority after hearing to "determine the just, reasonable, or sufficient Rates or other charges, classifications, rules, regulations, contracts or practices to be thereafter observed and in force, and shall fix the same by order as hereinafter provided." (220 ILCS § 5/9-250). Illinois law unambiguously gives the Commission authority to determine just and reasonable tariff terms for line sharing.

Over the objections of Ameritech, the Commission exercised this authority recently in Docket No. 99-0615 regarding Ameritech's collocation tariff. Collocation is an obligation imposed upon ILECs including Ameritech under TA 96, Section 251(c)(6). There Ameritech argued that the Commission did not have the authority to change the tariff terms filed by Ameritech. The Commission altered certain of Ameritech's collocation terms and conditions and revised the tariffed collocation rates. The fact that collocation is an obligation required by TA 96 and also is negotiated as part of interconnection agreements did not deter the Commission. Neither should it here. The Commission can rule on terms and conditions of line sharing consistent with its duty to determine the just and reasonable rates, terms and conditions of a challenged tariff filing.

Next, Ameritech argues that if the Commission makes changes to the line sharing tariff, the need for negotiating and entering into interconnection agreements would be eliminated. (Ameritech Initial Brief, p. 6; p. 10). This is untrue. There are many significant terms and conditions that define the business

and operational aspects of the ILEC/CLEC relationship contained in interconnection agreements that are not in the various Ameritech tariffs. From a policy perspective, Ameritech tariffs for UNEs and the Commission's investigation of such tariffs give CLECs the ability to jointly question the tariffs and permit the Commission to advance pro-competitive terms that can apply to all CLECs. Forcing CLECs to arbitrate individually every element of Ameritech's UNE tariffs would overload the Commission's scarce resources and only serve to delay competition.

While the FCC certainly contemplated that its line sharing obligations be implemented in interconnection agreements, it encouraged states to impose line sharing obligations upon ILECs by means of state law.

> We note that a few states have already taken significant steps toward requiring incumbent LECs in their jurisdiction to offer line sharing. Clearly, the Commission's requirement that line sharing be made available on a nationwide basis should not interfere or delay the laudable efforts of individual states to make residential xDSL competition a reality more expeditiously. Rather, the timetable outlined above for implementing line sharing should be viewed as a maximum period for states that have not yet taken any actions to make line sharing available, **either through the exercise of their authority under section 251-252 or pursuant to their authority under state law.**

(Line Sharing Order, ¶ 168, emphasis added). Thus, the FCC explicitly recognized that states have authority beyond section 251-252 to impose line sharing obligation upon ILECs. Ameritech's argument that this Commission has no authority to rule upon the justness and reasonableness of its line sharing tariff filing outside of the section 251-252 context fails.

C. Contrary to Ameritech's Arguments, Federal Law Promotes, Rather Than Prohibits, States Adding Unbundling Requirements

Federal law, in TA 96 and in all of the relevant FCC orders, expressly gives the power to state commissions to order terms and conditions that go beyond the requirements of the FCC rules and orders. Ameritech errs in arguing that FCC decisions such as the Line Sharing Order and Project Pronto Waiver Order prohibit this Commission from revising the line sharing tariff as proposed by Sprint, Staff and the other CLECs. (Ameritech Initial Brief, pp. 12-20). Neither Congress nor the FCC preempt this Commission's ability to establish just and reasonable tariff terms here that promote competition.

Unbundling Project Pronto as the CLECs and Staff urge is not a collateral attack on FCC orders as suggested by Ameritech. (Ameritech Initial Brief, p. 12). Ameritech cites the Project Pronto Order alleging that the FCC made a final determination on the enhancement of advanced services competition by permitting it to own the advanced services equipment at issue. (Id., p. 19). The Project Pronto Order issued by the FCC is not a determination of Ameritech's unbundling obligations under the Act. It merely is a waiver of certain SBC/Ameritech merger conditions that required SBC's advanced services affiliates to own all advanced services equipment. (Project Pronto Waiver Order, ¶ 7; ("We confine this Order to the narrow request before us – to interpret and, if necessary, waive or modify the ownership restrictions in the *Merger Conditions*."). The FCC specifically declared that it made no ruling on SBC's Section 251 unbundling obligation when it waived certain merger conditions to

permit the SBC ILECs to own the advanced service equipment at issue. The FCC stated,

> We stress again that this Order is confined only to the *Merger Conditions*, and so does not constitute any finding or determination with respect to SBC's compliance with section 251 or any other provision of the Act, or SBC's section 251 obligations regarding its Broadband Offering.

(In the Matter of the Ameritech and SBC Communications for Consent to Transfer Control of Corporations Holding Commission Licenses, Second Memorandum Opinion and Order, CC Docket 98-141, FCC 00-336, (Released September 8, 2000) ("Project Pronto Waiver Order"), ¶ 9. Thus, the FCC's order permitting the SBC/Ameritech ILECs rather than their advanced services affiliates to own the line cards and OCDs is not a determination that those pieces of equipment or the entire Broadband Offering do not have to be unbundled. In fact, ownership of the advanced services equipment by Ameritech only reinforces the necessity that it has a duty to provide requesting carriers "nondiscriminatory access to its network elements on an unbundled basis." (TA 96, Section 251(c)(3)). The Commission should not be persuaded that the Project Pronto Waiver Order means that Ameritech does not have to unbundle the Project Pronto architecture.

Consistent with Section 251(d)(3), State Commissions are given the authority by the FCC to unbundle network elements beyond those imposed by the FCC as long as the Act's requirements are met.

> We believe that section 252(d)(3) grants state commissions the authority to impose additional obligations upon incumbent LECs beyond those imposed by the national list, as long as they meet the

> requirements of section 251 and the national policy framework instituted in this Order.

(UNE Remand Order, ¶ 154; See, 47 CFR § 51.317(d)). The FCC rules do not prevent this Commission from unbundling additional network elements. In fact, the FCC expressly grants state commissions this authority. The FCC recognized this again in the Line Sharing Order. "States may enact additional or modified unbundling requirements only to the same extent that we permit the states to modify the unbundling requirements in the *Local Competition Third Report and Order* [the UNE Remand Order]." (Line Sharing Order, ¶ 223). Accordingly, federal law explicitly encourages state commissions to make unbundling decisions consistent with the requirements of federal law.

Using this authority and its independent state law authority under Section 13-505.6,[2] the Commission should require Ameritech to unbundle its Project Pronto network elements to promote competition for all advanced services carriers in Illinois.

III. LINE SHARING OVER PROJECT PRONTO LOOPS

A. Unbundled Access to Project Pronto Architecture for Line Sharing

Ameritech's Project Pronto architecture must be unbundled. Project Pronto is nothing more than a combination of network elements that are a replacement for Ameritech's existing copper loop plant. As such, the individual loop elements must be offered on an unbundled basis and in combinations at UNE prices to CLECs. Project Pronto is ordered like UNEs, is priced at UNE

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[2] See, Sprint Initial Brief, p. 5.

prices using TELRIC methodology, and is described by the FCC as a combination of network elements. But Ameritech insists that Project Pronto elements are not UNEs. The Commission should put in end to this fiction and find that Project Pronto must be unbundled. (See Sprint Initial Brief, pp. 10-11).

Specifically, the entire broadband loop from the customer premises to the central office should be available to CLECs on an unbundled basis. Also, Ameritech should make the various components of the Broadband Service offering available to CLECs on an unbundled basis. CLECs must have access to the subloop from the customer premises to the Remote Terminal (RT); the line card or Digital loop equipment in the RT; the fiber subloop from the RT to the central office; and the Optical Concentration Device (OCD) also known as the ATM switch at the central office.

Sprint explained in its Initial Brief the relevant legal standards for this Commission to use its authority under 220 ILCS 5/13-505.6 to order the unbundling of additional network elements. (See Sprint Initial Brief, pp. 7-9). In sum, the Commission must determine if CLECs would be impaired under FCC Rule 51.317(b) in offering advanced services without unbundled access to Project Pronto.[3]

Using the factors set forth in the FCC rule, it is clear that the alternatives proffered by Ameritech to unbundling Project Pronto do not prevent CLECs'

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[3] Ameritech rightly does not argue that the Project Pronto architecture is proprietary such that the necessary standard from 51.317(a) would apply. Ameritech, however, does try to bring through the backdoor a "necessary" standard from Section 261(c) of the Act. As Sprint demonstrates below, the necessary standard from that section does not apply and even if it did

ability to offer advanced services from being materially diminished. (Rule 51.317(b)(1)). Ameritech cites four alternatives for CLECs.

- CLECs may utilize the retail Broadband Service Offering
- CLECs may use the existing copper network
- CLECs may collocate their own DSLAMs and lease Dark Fiber
- CLECs may build their own facilities.

(Ameritech Initial Brief, p. 22). Sprint explained in its Initial Brief that none of the alternatives to unbundling Project Pronto alleviate the material diminishment to Sprint and other CLECs' ability to offer advanced services. (Sprint Initial Brief, pp. 12-19). Briefly, the reasons can be summarized as follows:

Ameritech Alternative	**Reasons Why Project Pronto Must Be Unbundled**
CLECs may utilize the retail Broadband Service Offering	• UNE Remand Order holds that the availability of a retail offering does not relieve the ILEC from unbundling the elements of the retail offering. Otherwise, ILECs could make all of their products available only as a retail offering to avoid their unbundling obligations.[4] • The Broadband Agreement by its own terms can be unilaterally withdrawn by Ameritech.[5] • CLECs will not be able to differentiate their broadband offering from that of AADS.[6]
CLECs may use the existing copper network	• Existing copper network limits the numbers of customers that can obtain advanced services by over 20 million in SBC territory.[7] • Copper loops are subject to conditioning charges while Project Pronto loops are not. • Project Pronto loops are all less than 12,000 feet and capable of transmitting data at speeds

for the same reasons that lack of access to Project Pronto impairs the CLECs' ability to provide advanced services, the necessary standard is also satisfied.

[4] UNE Remand Order, ¶ 67; Sprint Initial Brief, pp. 13-14.

[5] Sprint Initial Brief, p. 14.

[6] Id. at 15.

[7] Id. at 18-21.

	much greater than non-Project Pronto loops that exceed 12,000 feet. • The existing copper network may be retired by Ameritech.
CLECs may collocate their own DSLAMs and lease Dark Fiber	• Ameritech recognizes the difficulties in collocating at remote terminals (RT). • RT collocation is expensive, timely, and inefficient in that the number of customers that can be served are limited.
CLECs may build their own facilities.	• It is economically impossible for CLECs to duplicate the network infrastructure to serve customers. That is why the Act requires unbundling of network elements.

Taking the Ameritech alternatives either alone or together, CLECs are still impaired in providing advanced services if not given unbundled access to Project Pronto. Clearly, under the standards to Rule 51.317(b), CLECs must be given unbundled access to Project Pronto.

Accepting its fate that an analysis under rule 51.317(b) mandates unbundling of Project Pronto, Ameritech turns to "plan B" to use Section 261(c) from the Act to convince this Commission that it should not unbundle Project Pronto. The statute provides that nothing in the Act "precludes a State from imposing requirements on a telecommunications carrier for intrastate services that are necessary to further competition…" (TA 96, Section 261(c)). Ameritech claims **without citation to any case or FCC Order** that the requirements of 261(c) "are mandatory, and are incremental to the requirements of Sections 251(d)(2) and 251(c)(6)." (Ameritech Initial Brief, p. 21.) Of course, Ameritech cannot come up with a citation to support its proposition. None exists. In determining whether certain elements should be unbundled in the UNE Remand

Order, the FCC never mentions Section 261(c) of the Act. The Commission should dismiss Ameritech's citation to Section 261(c).[8]

The remaining reasons offered by Ameritech for not unbundling Project Pronto are easily addressed. (See Ameritech Initial Brief, pp. 30-32). If the Commission finds that the OCD network element is packet switching, then it has the authority granted under 51.317 and 220 ILCS 5/13-505.6 to order Ameritech to provide packet switching on a UNE basis. In the UNE Remand Order, the FCC declared that packet switching is only available if four conditions are met including (iv) the incumbent LEC has deployed packet switching for its own use. This standard can never be satisfied in Illinois because Ameritech Illinois cannot offer advanced services due to the SBC/Ameritech merger conditions. Its affiliate, AADS uses the packet switching designed for its use by Ameritech to offer advanced services. But even where the packet switching conditions are not satisfied the FCC specifically opened the door for CLECs to prove that lack of access to packet switching impairs their ability to offer advanced services.

> We note, however, that (CLECs) are free to demonstrate to a state commission that lack of access to the incumbent's frame relay network element impairs their ability to provide the services they seek to offer. A state commission is empowered to require incumbent LECs to unbundle specific network elements used to provide frame relay service, consistent with the principles set forth in this order.

(UNE Remand Order, ¶ 312). Here, using the authority granted by the FCC, the Commission specifically can and should declare the OCD to be a network

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[8] Even if the Commission were to take Ameritech's citation to 261(c) at face value, which it should not, for the same reasons that the necessary requirement under 251(d)(2)(a) are satisfied

element that must be offered to CLECs on a non-discriminatory, unbundled basis.

Moreover, the Commission should dismiss Ameritech's arguments that the Project Pronto should not be unbundled because a customer's DSL service would not occupy a consistent end to end path or have consistent interfaces at each end of the path. (Ameritech Initial Brief, p. 33). No state or federal order requires network elements to have the characteristics described by Ameritech to be unbundled. In fact, a loop is defined by the FCC as "a transmission facility between a distribution frame (or its equivalent) in an incumbent LEC central office and the loop demarcation point an end-user customer premises, including inside wire owned by the incumbent LEC." (FCC Rule 51.319(a)). No distinctions are made by the FCC in the loop definition for consistent end to end paths and interfaces. Project Pronto can be offered to CLECs on an unbundled basis.

B. Collocation of CLEC Line Cards in Project Pronto Architecture

To effectuate the unbundling of the various elements of Project Pronto, Ameritech must permit CLECs on a non-discriminatory basis to place line cards in Ameritech's NGDLC equipment. Ameritech argues that line cards cannot be collocated because they are not used to access UNEs and are not a "piece of equipment." (Ameritech Initial Brief, pp. 36-41). Sprint already dispensed of these arguments in its Initial Brief. (Sprint Initial Brief, pp. 20-21) Briefly, Ameritech's contention that a line card is not a piece of "equipment" because it

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if Ameritech would now claim that Project Pronto is proprietary would apply here. See Sprint Initial

cannot function on a standalone basis must be dismissed. (Ameritech Initial Brief, p. 38). It is hard to imagine any component of a telecommunications network that would satisfy this definition of "equipment" — each piece-part is dependent on connections to other piece-parts in order to perform its intended function. Moreover, over the objection of SBC, the FCC concluded that the ADLU cards "should be classified as Advanced Services Equipment . . ." (Project Pronto Waiver Order, ¶ 14). Besides being advanced services equipment, the ADLU cards are used to access UNEs. Of course, under Ameritech's view that the subloop elements of Project Pronto are not UNEs, lines cards will not be able to access UNEs. But if the Commission rightly finds that Project Pronto sub-elements are UNEs, then the line card unquestionably will be used to access UNEs.

C. Right of CLECs to Provide Voice and Data over a Single Unbundled Project Pronto Loop

Ameritech's Initial Brief does not address this topic substantively. The Commission should refer to Sprint's Initial Brief that explains that Ameritech's own Broadband Offering permits Ameritech to line share with a CLEC over Project Pronto or permits the CLEC to utilize both the voice and data portions of the loop. (Sprint Initial Brief, pp. 21-23).

IV. Line Splitting Over UNE-P Loops

Line splitting can be defined as the situation where a customer's voice and data are provided by carriers other than the incumbent. Ameritech's Initial Brief focuses on AT&T's line splitting proposal asking Ameritech to affirmatively

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Brief, pp. 11-12).

provide splitter functionality even where it currently does not deploy splitters. Like Staff, Sprint's position on this issue is somewhat different than AT&T's. Sprint requests that if Ameritech voluntarily provides splitters in central offices, then it should make that splitter functionality available to CLECs to utilize line splitting. (See, Staff Initial Brief, p. 14). "Where the ILEC voluntarily owns the splitter and charges CLECs access to that splitter, it would be wasteful to require the CLEC to collocate its own splitter in a CO to provide the HFPL to its customers." . (Sprint Ex. 1.1, p.10). Staff suggests that Ameritech has deployed splitters in "almost all of its central offices in Illinois." (Staff Initial Brief, p. 14). Customers who receive local service via the UNE-P or resale should not be precluded from obtaining the HFPL due to a regulatory construct erected by Ameritech. Line splitting should be available to CLECs when Ameritech voluntarily provides the line splitter.

V. OSS ACCESS

A. Access to Back Offices Databases and Access to Loop Information on a Market-Wide Basis

Sprint supports the Commission's Order in the Rhythms/Covad arbitration that requires Ameritech to provide CLECs direct access to its OSS. In the UNE Remand Order, the FCC found that OSS is a separate UNE and that ILECs must give CLECs access to the "underlying loop qualification information contained in its engineering records, plant records, and other back office systems . . ." (UNE Remand Order), ¶ 428). Moreover, the FCC stated that it did not matter whether the retail arm of the incumbent accesses similar information. The appropriate

standard is "whether such information exists anywhere within the incumbent's back office and can be accessed by any of the incumbent LEC's personnel." (Id. ¶ 430).

Sprint's interest in obtaining OSS information from Ameritech is not in conducting an audit of all of Ameritech's systems. Sprint primarily wants access to enough information to make rational decisions for deploying its advanced services. Now, Ameritech gives loop information only on a loop at a time basis. Market-wide information resides in Ameritech systems but Ameritech is unwilling to give Sprint access to such information. The Commission should permit CLECs to access market-wide loop information to encourage rational investment in the advanced services market.

VI. PROVISIONING SPLITTERS ON A SHELF-AT-A TIME BASIS VS. LINE-AT-A TIME BASIS

Ameritech should be required to provision splitters on a shelf-at-a-time basis in addition to a line-at-time basis. This Commission already has decided this issue in the Rhythms/Covad and Ameritech arbitration. Ameritech raises nothing in its Initial Brief that should change the Commission's ruling. (See Sprint Initial Brief, pp. 26-28).

VII. LOOP CONDITIONING AND QUALIFICATION

A. Conditioning Charges

The Line Sharing Order requires incumbents to condition loops to give CLECs access to the HFPL. (Line Sharing Order, ¶ 81). Ameritech here does not dispute that it must condition loops that contain interferors like load coils.

While other CLECs may question whether Ameritech can charge at all for loop conditioning, Sprint recognizes that the FCC currently permits ILECs to charge CLECs for conditioning loops for line sharing. (Id. ¶ 87). Sprint, however, maintains that Ameritech's proposed conditioning charges are grossly inflated. The Commission should adopt the two significant changes to Ameritech's cost studies suggested by Sprint witness Dunbar.

First, Mr. Dunbar suggests that Ameritech charge CLECs for removal of the actual number of interferors on the loop. For instance, Ameritech charges CLECs for the removal of 3 load coils on every loop even though it is a physical impossibility for a customer located between 12,000 and 15,000 feet from the Central Office to have 3 load coils on its loop and still have working voice service. Ameritech grudgingly admits that the Commission can fix this problem by recalculating load coil and other interferors' removal on a per-occurrence basis. (Ameritech Initial Brief, p. 103 and f.n. 49). Sprint requests the Commission to order that Ameritech only be allowed to charge CLECs for the removal of the actual number of load coils or bridged taps that appear on a loop. (Sprint Ex. 2.1, p. 13).

The second major adjustment that must be made is that Ameritech should account for the economies of conditioning multiple loops at a time. In other words, if Ameritech conditions one loop, it should take advantage of the inherent cost efficiencies of conditioning all loops within that binder group at the same time.

Mr. Dunbar testified how a LEC plant engineer should take advantage of the time and effort that it takes to access a particular loop within a binder group and efficiently engineer all the pairs within the binder by removing all interferors from that binder group. (Sprint Ex. 2.0, p. 10). Ameritech objects stating that its network would have to be reengineered because some loops still require load coils and repeaters. (Ameritech Initial Brief, p. 104). Sprint witness Dunbar addressed this issue in cross examination as did Sprint in its Initial Brief. Mr. Dunbar explained that the field engineers do not break apart complements (25 or 50 pair loop cables). Thus, either all of the pairs within a complement should have loads or none of the pairs should have loads. (Tr. 666; Sprint Initial Brief, p. 32). Ameritech's argument that loop conditioning should be done on a loop by loop basis is belied by its own practices.

After all, Ameritech's own engineering practices dictate that it groom its network on a going forward basis using efficient engineering practices of treating loops on a 25 pair at a time complement basis. (Tr. 665). Since the majority of the costs in performing conditioning is in setting up the area and accessing the loops, an efficient engineer will attempt to treat every pair possible in the open case. (Sprint Ex. 2.1, p. 10).

Ameritech attempts to evade the obvious efficiencies in conditioning at least 25 pairs at the same time by raising additional issues such as that its cost study would have to be adjusted to account for the time involved to condition all loops in a binder and tracking loops to ensure that the remaining 24/25^{ths} or 49/50^{ths} of the loop is assessed to subsequent CLECs. (Ameritech Initial Brief, p.

105). The problems raised by Ameritech are of no consequence. Sprint gladly will pay for the relatively small amount of incremental costs that Ameritech would incur to condition all loops in a complement compared to the exorbitant costs reflected in Ameritech's cost study where it charges CLECs for the full preparation and travel time for each individual loop. Mr. Dunbar also testified that if Ameritech wants to charge CLECs subsequent to the original CLEC that requested conditioning, and Ameritech conditioned all loops in the complement as it should, Ameritech simply must mark a drawing to determine if should charge the subsequent CLECs. (Tr. 683).

In sum, the Commission should order Ameritech to revise its loop conditioning cost studies to (1) prevent Ameritech from charging CLECs for the removal of load coils and other interferors that are a physical impossibility on working voice loops by charging for conditioning on a per-occurrence basis; (2) reflect efficient engineering practices by conditioning all pairs within a complement as Ameritech's engineers do when preparing its network for Project Pronto; and (3) make the other changes suggested by Sprint witness Dunbar in Sprint Ex. 2.1, pp.13-14.

VIII. LINE SHARING RECURRING AND NONRECURRING CHARGES

A. HFPL Recurring Charge

This Commission already has considered carefully the recurring charge amount for the HFPL in the Rhythms/Covad and Ameritech arbitration. There the Commission found that no monthly recurring charge is appropriate for the HFPL.

(Rhythms/Covad Arbitration Order, p. 50). The Commission reasoned that since Ameritech's affiliate allocated $0 loop costs to its retail ADSL service, then according to the Line Sharing Order (¶ 139), Ameritech should not be permitted to charge a monthly recurring charge to CLECs for the HFPL.

Ameritech's arguments to change this result fail. Staff correctly recognizes that Ameritech has recovered 100% of its loop costs previously from the voice frequency of the loop and it incurs no additional incremental costs in providing the HFPL. (Staff Initial Brief, p. 19). By setting a $0 charge for the HFPL, the Commission should not think that Ameritech is not fully compensated for providing line sharing to CLECs. Its tariff includes charges for OSS modifications, cross connects, splitter access and other items necessary for line sharing.

Strangely, Ameritech argues that a $0 charge for the HFPL should not be adopted because it would benefit DSL providers over cable modem and satellite providers. (Ameritech Initial Brief, p. 110). Ameritech's affiliate, AADS (which is a DSL provider), theoretically benefits from the $0 charge for the HFPL. And Ameritech rarely worries about whether AT&T (which is providing cable modem services) has the tools to compete in the marketplace. Presumably, Ameritech knows that if AADS must pay 50% of the loop charge as it urges, it is taking money from one pocket and depositing it in another pocket. On the other hand, a non-zero charge for the HFPL is a true cost to CLECs purchasing the HFPL.

The Commission should reaffirm its prior decision and order Ameritech to not charge CLECs for the HFPL.

IX. CONCLUSION

To promote the usage of advance services, Ameritech's line sharing tariff must be altered in the manner suggested by Sprint. The Commission should not be deterred by Ameritech's road-blocking jurisdictional arguments. Federal law delegates to the state commissions numerous responsibilities including the ability to unbundle additional network elements using the FCC's impair analysis. This Commission should exercise its given authority here and order Ameritech to unbundle Project Pronto and give CLECs the ability to line share over the Project Pronto architecture.

Other tariff items must also be revised to promote line sharing. Where Ameritech provides splitters, it should permit CLECs to take advantage of the HFPL even if Ameritech is not the voice provider. Next, Ameritech must be ordered to give CLECs access to OSS that allows CLECs to make rational deployment decisions. CLECs also must be able to obtain access to splitters on a shelf at a time basis to give them maximum flexibility in deploying advances services. Of utmost importance to the future of advanced services, is the reduction of Ameritech's loop conditioning charges to reflect the actual work done and efficient engineering practices. Finally, the Commission should reaffirm its decision to not assign loop charges for the HFPL.

With these changes, CLECs will be able to purchase services out of Ameritech's tariff or incorporate the changes in their interconnection agreements. In the end consumers will win because they will have viable choices for advanced services other than Ameritech's affiliate, AADS.

Respectfully submitted,

Sprint Communications Company L.P.

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CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of December, 2000, copies of the foregoing were sent to the following persons on the attached list via U.S. Mail.

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Sally J. Werts